

1 UNITED STATES DISTRICT COURT  
2 SOUTHERN DISTRICT OF NEW YORK  
-----x

3 UNITED STATES OF AMERICA,

4 v.

19 CR 833 (SHS)

5 JENNIFER SHAH,

6 Defendant.

Plea

-----x

7  
8 New York, N.Y.  
9 July 11, 2022  
10:45 a.m.

10 Before:

11 HON. SIDNEY H. STEIN,

12 District Judge

13 APPEARANCES

14 DAMIAN WILLIAMS

15 United States Attorney for the  
16 Southern District of New York

16 BY: KIERSTEN FLETCHER

17 ROBERT SOBELMAN

18 SHEB SWETT

Assistant United States Attorneys

19 CHAUDHRYLAW PLLC

Attorneys for Defendant

20 BY: PRIYA CHAUDHRY

21 SETH J. ZUCKERMAN

1 (Case called)

2 MS. FLETCHER: Good morning, your Honor, Kiersten  
3 Fletcher, Robert Sobelman, and Sheb Swett for the government.

4 THE COURT: Good morning.

5 MS. CHAUDHRY: Good morning, your Honor, Priya  
6 Chaudhry and Seth Zuckerman for Ms. Shah, who is present and  
7 standing between us.

8 THE COURT: Good morning. You may be seated in the  
9 courtroom.

10 I understand you have an application, Ms. Chaudhry?

11 MS. CHAUDHRY: Yes, your Honor. At this time Ms. Shah  
12 would like to withdraw her plea of not guilty and enter into a  
13 plea of guilty to the first count in the indictment.

14 THE COURT: I take it it's pursuant to a document I  
15 find on my bench, dated July 10, which I take it is the plea  
16 agreement in this action?

17 MS. CHAUDHRY: That is correct, your Honor.

18 THE COURT: Ms. Blake, please administer the oath to  
19 the defendant.

20 (Defendant sworn)

21 THE DEPUTY CLERK: Please state your full name and  
22 spell your name for the record.

23 THE DEFENDANT: Jennifer Keikilani, K-e-i-k-i-l-a-n-i,  
24 Shah, S-h-a-h.

25 THE COURT: Ms. Shah, do you understand that you are

1 now under oath and that if you answer any of my questions  
2 falsely, your false or untrue answers may later be used against  
3 you in another prosecution for perjury or for making a false  
4 statement?

5 THE DEFENDANT: Yes, your Honor.

6 THE COURT: How old are you, ma'am?

7 THE DEFENDANT: Forty-eight years old.

8 THE COURT: How far did you go in school?

9 THE DEFENDANT: Two years of college.

10 THE COURT: Are you able to read, write, speak, and  
11 understand English?

12 THE DEFENDANT: Yes, your Honor.

13 THE COURT: Are you now or have you recently been  
14 under the care of a doctor or a psychiatrist?

15 THE DEFENDANT: No.

16 THE COURT: Have you ever been treated or hospitalized  
17 for any mental illness or any type of addiction, including drug  
18 or alcohol addiction?

19 THE DEFENDANT: Yes.

20 THE COURT: When was that?

21 THE DEFENDANT: Two years ago.

22 THE COURT: Was it inpatient?

23 THE DEFENDANT: No, your Honor.

24 THE COURT: What was it for?

25 THE DEFENDANT: It was for alcohol and depression.

1 THE COURT: About two years ago?

2 THE DEFENDANT: Yes, your Honor.

3 THE COURT: Thank you.

4 But you were not hospitalized for it?

5 THE DEFENDANT: No.

6 THE COURT: In the past 24 hours, Ms. Shah, have you  
7 taken any drugs, medicine, or pills or consumed any alcohol?

8 THE DEFENDANT: Your Honor, I have taken two of my  
9 prescribed prescription pills this morning.

10 THE COURT: Do either of them affect your mental  
11 cognition?

12 THE DEFENDANT: No, your Honor.

13 THE COURT: Is your mind clear today?

14 THE DEFENDANT: Yes, your Honor.

15 THE COURT: Are you feeling all right?

16 THE DEFENDANT: Yes.

17 THE COURT: You have an attorney?

18 THE DEFENDANT: Yes.

19 THE COURT: Who is that.

20 THE DEFENDANT: Priya Chaudhry and Seth Zuckerman.

21 THE COURT: Ms. Chaudhry and Mr. Zuckerman, do either  
22 of you have any doubt as to Ms. Shah's competence to plead at  
23 this time?

24 MS. CHAUDHRY: We do not.

25 MR. ZUCKERMAN: No, your Honor.

1 THE COURT: Ms. Shah, you heard Ms. Chaudhry a moment  
2 ago tell me that you wish to enter a plea of guilty to Count  
3 One of the indictment against you in this action. Is that  
4 true? Do you wish to enter a plea of guilty to Count One?

5 THE DEFENDANT: Yes, your Honor.

6 THE COURT: Have you had a full opportunity to discuss  
7 your case with Ms. Chaudhry and with Mr. Zuckerman and to  
8 discuss the consequences of your entering a plea of guilty  
9 today with them?

10 THE DEFENDANT: Yes, your Honor, I have.

11 THE COURT: Are you satisfied -- I'm sorry. I didn't  
12 mean to cut you off.

13 THE DEFENDANT: Yes, I have.

14 THE COURT: Are you satisfied with your attorneys and  
15 their representation of you?

16 THE DEFENDANT: Yes, your Honor.

17 THE COURT: On the basis of Ms. Shah's responses to my  
18 questions and my observations of her demeanor as she stands  
19 here before me and as she has appeared in this courtroom in  
20 this action on prior occasions, I make the finding that she is  
21 fully competent to enter an informed plea at this time.

22 Before I accept a plea from you, Ms. Shah, I am going  
23 to be asking you certain questions, and those questions are  
24 intended to satisfy me that you wish to plead guilty because  
25 you are guilty and that you fully understand the consequences

1 of entering a plea of guilty.

2 I am going to be describing to you certain rights you  
3 have under the Constitution and laws of the United States, and  
4 you are going to be giving up those rights if you enter a plea  
5 of guilty today.

6 I need you to listen to me carefully, Ms. Shah. If  
7 you do not understand anything I'm saying to you or you do not  
8 understand anything I'm asking you, I want you to stop me. You  
9 can ask me anything you want. You can ask your attorneys  
10 anything you want. My concern is to make certain that you  
11 understand what I'm asking you and that you understand what I'm  
12 saying to you. Do you understand that?

13 THE DEFENDANT: Yes, your Honor.

14 THE COURT: Under the Constitution and laws of the  
15 United States, Ms. Shah, you have a right to a speedy and  
16 public trial by a jury on the charges against you which are  
17 contained in indictment S4 19 CR 833. Do you understand those  
18 rights?

19 THE DEFENDANT: Yes, your Honor.

20 THE COURT: If there were a trial, you would be  
21 presumed innocent and the government would be required to prove  
22 you guilty by competent evidence and beyond a reasonable doubt.  
23 You would not have to prove you were innocent at a trial. Do  
24 you understand those rights?

25 THE DEFENDANT: Yes, your Honor.

1 THE COURT: If there were a trial, a jury composed of  
2 12 people selected from this district would have to agree  
3 unanimously that you were guilty. Do you understand that  
4 right?

5 THE DEFENDANT: Yes, your Honor.

6 THE COURT: You have a right to be represented by an  
7 attorney at your trial and at every stage of the proceeding.  
8 If you cannot afford an attorney, one would be given to you at  
9 no cost to you. Do you understand those rights?

10 THE DEFENDANT: Yes, your Honor.

11 THE COURT: If there were a trial, you would have the  
12 right to see and hear all of the witnesses against you and your  
13 attorney could cross-examine them. You would have a right to  
14 have your attorney object to the government's evidence and  
15 offer evidence on your own behalf, if you so desired, and you  
16 would have the right to have subpoenas issued or other  
17 compulsory process used to compel witnesses to testify in your  
18 defense. Do you understand those rights?

19 THE DEFENDANT: Yes, your Honor.

20 THE COURT: If there were a trial, you'd have the  
21 right to testify you if you wanted to, but no one could force  
22 you to testify if you did not want to and, in addition, no  
23 inference or suggestion of guilt could be drawn if you decided  
24 not to testify at your trial. Do you understand those rights?

25 THE DEFENDANT: Yes, your Honor.

1 THE COURT: You understand that by entering a plea of  
2 guilty today in this courtroom, you will be giving up every one  
3 of the rights I have been listing, you're waiving those rights  
4 and that you will have no trial.

5 THE DEFENDANT: Yes, your Honor.

6 THE COURT: Do you understand you have the right to  
7 change your mind right now, Ms. Shah, and you can refuse to  
8 enter a plea of guilty. You don't have to enter a plea of  
9 guilty this morning if you do not want to, for any reason  
10 whatsoever. Do you understand that?

11 THE DEFENDANT: Yes, your Honor.

12 THE COURT: Have you received a copy of the indictment  
13 in this case against you?

14 THE DEFENDANT: Yes, your Honor.

15 THE COURT: Did you read it?

16 THE DEFENDANT: Yes, I did.

17 THE COURT: Did you discuss it with your attorneys?

18 THE DEFENDANT: Yes, your Honor, I did discuss it.

19 THE COURT: Did -- again, I'm sorry. I didn't mean to  
20 cut you off.

21 THE DEFENDANT: Yes, your Honor, I did discuss it, and  
22 they answered all of my questions.

23 THE COURT: You have the right to have me read the  
24 indictment out loud now in open court. But if you don't want  
25 me to read it, I won't.



1 MS. CHAUDHRY: Your Honor, we waive the public  
2 reading.

3 THE COURT: Is that true, Ms. Shah, you don't want me  
4 to read it?

5 THE DEFENDANT: Yes, your Honor.

6 THE COURT: I accept that as a knowing and voluntary  
7 waiver of the right to have the indictment read in open court.

8 You understand you are charged in Count One with  
9 participating in a conspiracy to commit wire fraud in  
10 connection with the conduct of telemarketing, in violation of  
11 18, United States Code, Sections 1349 and 2326. Do you  
12 understand that?

13 THE DEFENDANT: Yes, your Honor.

14 THE COURT: Do you understand that if you did not  
15 plead guilty, the government would have to prove each and every  
16 part or element of the charge in Count One beyond a reasonable  
17 doubt at a trial. Do you understand that?

18 THE DEFENDANT: Yes, your Honor.

19 THE COURT: Ms. Fletcher, would you set forth the  
20 elements that the government would have to prove beyond a  
21 reasonable doubt before a jury would be entitled to convict  
22 Ms. Shah of Count One.

23 MS. FLETCHER: Yes, your Honor.

24 Were the defendant to proceed to trial, the government  
25 would be required to prove the two elements of Title 18, United

1 States Code, Section 1349. The first element is that the  
2 defendant agreed with others to violate the law. The second  
3 element is that the defendant entered the agreement knowingly  
4 and willfully. Here, the object of Count One is the agreement  
5 to commit wire fraud, in violation of Title 18, United States  
6 Code, Section 1343.

7 Wire fraud, under Section 1343, has six elements:  
8 First, that the defendant engaged in a scheme to defraud;  
9 second, that he or she do so by means of false or fraudulent  
10 pretenses or statements; third, that those false statements  
11 relate to material facts; fourth, that the misstatements were  
12 made in an effort to obtain money or property; fifth, that the  
13 defendant intended to defraud victims of the crime; and,  
14 finally, that the wire fraud crime involved the use of  
15 interstate wires; that is, the wires between the states.

16 Because Count One as charged also includes an  
17 enhancement for telemarketing under Title 18, United States  
18 Code, Section 2326, the government would also be required to  
19 prove that the wire fraud conspiracy involved the conduct of  
20 telemarketing and that it involved more than 10 victims over  
21 the age of 55.

22 The elements I have just articulated, the government  
23 would have to prove beyond a reasonable doubt. In addition,  
24 the government would have to show venue is proper in the  
25 Southern District of New York by a preponderance of the

1 evidence.

2 THE COURT: Thank you.

3 Ms. Shah, do you understand that with the exception of  
4 venue requirement, the elements that Ms. Fletcher set forth  
5 would have to be proved beyond a reasonable doubt to the jury  
6 before the jury could convict you of Count One. Do you  
7 understand that?

8 THE DEFENDANT: Yes, your Honor.

9 THE COURT: And the burden that the government has on  
10 the venue requirement is simply to prove that venue is proper,  
11 meaning at least one act in connection with the alleged  
12 conspiracy took place in the Southern District of New York.  
13 But that has to be proved by the government simply by a  
14 preponderance of the evidence, not beyond a reasonable doubt.  
15 Do you understand that as well?

16 THE DEFENDANT: Yes, your Honor.

17 THE COURT: Do you understand that the maximum  
18 possible penalty of Count One to which you are pleading guilty  
19 is 30 years in prison, a maximum term of supervised release of  
20 five years, maximum fine, pursuant to 18, United States Code,  
21 Section 3571 of the greatest of \$250,000 or twice the gross  
22 pecuniary gain derived from the offense or twice the gross  
23 pecuniary loss to individuals other than you resulting from the  
24 offense, plus a \$100 mandatory special assessment. Do you  
25 understand that?

1 THE DEFENDANT: Yes, your Honor.

2 THE COURT: Do you also understand that I must order  
3 restitution to those injured as a result of your criminal  
4 conduct?

5 THE DEFENDANT: Yes, your Honor.

6 THE COURT: Now, when I was setting forth the various  
7 aspects of the maximum penalty here, I mentioned that a part of  
8 that was a maximum term of supervised release of five years.  
9 Supervised release, Ms. Shah, means that you are going to be  
10 subject to monitoring upon your release from prison, and that  
11 monitoring will be under terms and conditions that could lead  
12 to your reimprisonment without a jury trial for all or part of  
13 the term of supervised release and without credit for time  
14 previously served on postrelease supervision if you violate any  
15 term or condition of your supervised release. Do you  
16 understand that?

17 THE DEFENDANT: Yes, your Honor.

18 THE COURT: Do you understand that if I accept your  
19 guilty plea this morning, ma'am, and determine you to be  
20 guilty, that determination may deprive you of such valuable  
21 civil rights, such as the right to vote, the right to hold  
22 public office, the right to serve on a jury, and the right to  
23 possess a firearm?

24 THE DEFENDANT: Yes, your Honor.

25 THE COURT: Ms. Chaudhry, I gather your client is a

1 United States citizen, is that correct?

2 MS. CHAUDHRY: That is correct, your Honor.

3 THE COURT: Ms. Shah, there are sentencing guidelines  
4 that judges must utilize in applying the factors set forth in  
5 18, United States Code, Section 3553(a) to determine what a  
6 fair, reasonable, and appropriate sentence is in your case.  
7 Have you talked to your attorneys about the sentencing  
8 guidelines?

9 THE DEFENDANT: Yes, your Honor, I have.

10 THE COURT: Do you understand I won't be able to  
11 determine what the relevant guideline range is until after a  
12 presentence report has been completed by the probation office  
13 and you and the government and your attorneys have had a full  
14 opportunity to challenge any of the facts reported by the  
15 probation office?

16 THE DEFENDANT: Yes, your Honor.

17 THE COURT: Now, if I accept your guilty plea this  
18 morning, you will be interviewed by the probation department.  
19 Ms. Chaudhry and Mr. Zuckerman can be there, if they so wish.  
20 It's important that you give the probation department accurate  
21 and complete and truthful information. Do you understand that?

22 THE DEFENDANT: Yes, your Honor.

23 THE COURT: Because I am going to use that report in  
24 determining what an appropriate sentence is for you. As I just  
25 told you, Ms. Chaudhry will be able to object to any findings

1 of fact in the presentence report. The government will have  
2 the same opportunity. If there are objections, I then will  
3 adjudicate the objections. So it is important that you give  
4 them accurate information. It's a quite thorough report. Your  
5 sentencing is going to be put off for a few months in order, in  
6 part, for the probation department to prepare that, and also  
7 for your attorneys to submit a sentencing submission and for  
8 the government to do so.

9 But the point here is, when they interview you, be  
10 truthful with them. Do you understand that?

11 THE DEFENDANT: Yes, your Honor.

12 THE COURT: On the basis of that probation department  
13 presentence report and my reading of the law, and the  
14 submissions of the parties, I'll be able to determine what the  
15 relevant guideline range is that applies to your case. But  
16 even after I do that, I have the ability to impose a sentence  
17 based on a departure from the guidelines, in other words, I can  
18 sentence you to something greater than that's called for by the  
19 guidelines or I can sentence you to something less than that  
20 called for by the guidelines on the basis of a departure from  
21 the guidelines. Do you understand that?

22 THE DEFENDANT: Yes, your Honor.

23 THE COURT: Even after I do that, that is, even after  
24 I determine first what the appropriate guideline range is and  
25 then determine whether there are grounds to depart either

upward or downward from the guideline range on the basis of a departure, I then have to apply all of the factors in 18, United States Code, Section 3553(a) to determine whether I should vary from the guideline range. Do you understand that? In other words, sentence you to something that's less than the guideline range or, I take it, more than the guideline range, on the basis of the variance, but certainly the normal variance is something below the guideline range. Do you understand that?

THE DEFENDANT: Yes, your Honor.

THE COURT: Do you understand that when you're sentenced to prison, the system of parole that used to exist in the federal criminal justice system has been abolished. So that when I sentence to you prison, ma'am, you are going to serve that entire term in prison. There is a system whereby you can be released a bit earlier on good-time credits, if you follow all the rules and regulations of the correctional facility where you're located, but you will not be released any earlier on parole. Do you understand that?

THE DEFENDANT: Yes, your Honor.

THE COURT: Do you understand that if your attorney or anyone else has attempted to estimate or predict what your sentence will be that their estimation or prediction could be wrong? Do you understand that?

THE DEFENDANT: Yes, your Honor.

1 THE COURT: Do you understand that if you yourself  
2 think you know what your sentence is going to be, you can be  
3 wrong as well?

4 THE DEFENDANT: Yes, your Honor.

5 THE COURT: The reason for that is, I'm the one who is  
6 going to sentence you, Ms. Shah, and I don't know what your  
7 sentence is going to be. I just simply don't know enough about  
8 you, about your upbringing, about your financial situation,  
9 about your educational background, your business background,  
10 any criminal history you may have. I know essentially nothing  
11 about that. So I don't know what your sentence is going to be.  
12 And if I don't know what your sentence is going to be, and I'm  
13 the one who is going to sentence you, nobody can know what your  
14 sentence going is to be. Do you understand that?

15 THE DEFENDANT: Yes, your Honor.

16 THE COURT: Do you understand if I do sentence you to  
17 something that you are not expecting or something that people  
18 have told you you are not going to receive, in other words, if  
19 it's different from what you're expecting or what other people  
20 have told you you are going to receive, you still are going to  
21 be bound to this guilty plea, Ms. Shah, and you won't be  
22 allowed to withdraw it. Do you understand that?

23 THE DEFENDANT: Yes, your Honor.

24 THE COURT: Now, I referred to the document that's on  
25 my bench at the beginning of this procedure. It's dated July



1 10. It's addressed to yourself and several lawyers at  
2 ChaudhryLaw. It has an Exhibit A attached to it. And the  
3 letter itself is six pages. It appears to be signed by  
4 Mr. Swett, and there is what looks like your signature and  
5 perhaps Ms. Chaudhry's signature, although that's a little  
6 harder to understand. It's illegible. I'll show it to you,  
7 Ms. Chaudhry. You can tell me if it's your signature.

8 MS. CHAUDHRY: Yes, your Honor, it is signed by  
9 Ms. Shah and me.

10 THE COURT: I am going to ask my deputy to mark this  
11 as Government Exhibit 1, and I am going to ask her to show you  
12 the signature page.

13 Ms. Shah, is that your signature?

14 THE DEFENDANT: Yes, your Honor.

15 THE COURT: Ms. Chaudhry, I think you told me you  
16 signed it as well?

17 MS. CHAUDHRY: That's correct.

18 THE COURT: Did you read that agreement, Ms. Shah,  
19 before you signed it?

20 THE DEFENDANT: Yes, your Honor, I did.

21 THE COURT: Did you discuss it with Ms. Chaudhry and  
22 Mr. Zuckerman before you signed it?

23 THE DEFENDANT: Yes, your Honor.

24 THE COURT: Did you understand it, ma'am, at the time  
25 you signed it?

1 THE DEFENDANT: Yes, your Honor.

2 THE COURT: Did Ms. Chaudhry or Mr. Zuckerman answer  
3 any questions you may have had before you signed it?

4 THE DEFENDANT: Yes, your Honor. They answered all my  
5 questions.

6 THE COURT: Does this letter agreement, Government  
7 Exhibit Number 1, constitute your complete and total  
8 understanding of your entire agreement between the government,  
9 your attorneys, and yourself?

10 THE DEFENDANT: Yes, your Honor.

11 THE COURT: Is everything about your plea and sentence  
12 contained in this agreement?

13 THE DEFENDANT: Yes, your Honor.

14 THE COURT: Is there anything that's been left out?  
15 Are there any side deals or other arrangements that I should  
16 know about?

17 THE DEFENDANT: No, your Honor.

18 THE COURT: Has anyone offered you any inducements,  
19 Ms. Shah, or threatened you or forced you to plead guilty or to  
20 enter into the plea agreement?

21 THE DEFENDANT: No, your Honor.

22 THE COURT: Now, in the plea agreement the parties  
23 have stipulated that the appropriate guideline range is 135 to  
24 168 months' imprisonment. In other words, the bottom of the  
25 guidelines calls for a sentence of more than 11 years and the

top of the guidelines calls for a sentence of 14 years. Do you understand that?

THE DEFENDANT: Yes, your Honor.

THE COURT: Do you understand that the determination of what the guideline range is is not for the parties to make and it's not for the probation department to make. It's for the Court to make. Do you understand that?

THE DEFENDANT: Yes, your Honor.

THE COURT: So that my determination of the appropriate guideline range may be different than this 135 to 168 months stipulated guideline range. Do you understand that?

THE DEFENDANT: Yes, your Honor.

THE COURT: Government, take a look at page 2 of the plea agreement, both parties, and, in paragraph 7, I think there is just a typographical error. I am not sure. It says: Sentencing of the instance offense. I think that should simply be instant offense. Is that right?

MS. FLETCHER: Yes, that's right, your Honor.

THE COURT: Ms. Chaudhry, do you agree?

MS. CHAUDHRY: Yes, your Honor.

THE COURT: I don't see any need to change it as long as it's on the record. Let's not go through changing a simple typographical error.

Do you understand, Ms. Shah, that in this agreement you have agreed not to file a direct appeal from the sentence

1 and you have agreed not to bring a collateral challenge to the  
2 sentence if I sentenced you to 168 months in prison or fewer  
3 months.

4 THE DEFENDANT: Yes, your Honor.

5 THE COURT: Do you understand that in this agreement  
6 you've admitted the forfeiture allegation with respect to Count  
7 One and agreed to forfeit to the United States \$6,500,000 in  
8 United States currency?

9 THE DEFENDANT: Yes, your Honor.

10 THE COURT: Do you understand that in this agreement  
11 you've also agreed to make restitution to the victims of your  
12 criminal conduct in the amount of \$9,500,000?

13 THE DEFENDANT: Yes, your Honor.

14 THE COURT: Do you understand that you have agreed to  
15 waive any defense based on the statute of limitations with  
16 respect to any prosecution that's not time barred by today?

17 THE DEFENDANT: Yes, your Honor.

18 THE COURT: Ms. Chaudhry, are you aware of any valid  
19 defense that would prevail at trial or know of any reason why  
20 Ms. Shah should not be permitted to plead guilty?

21 MS. CHAUDHRY: No, your Honor.

22 THE COURT: Is there an adequate factual basis, in  
23 your view, ma'am, to support your client's plea?

24 MS. CHAUDHRY: There is.

25 THE COURT: Ms. Fletcher, is there an adequate factual

1 basis to support the defendant's plea this morning?

2 MS. FLETCHER: There is, your Honor.

3 THE COURT: Ms. Shah, I am now going to ask you what  
4 you did that makes you guilty of Count One of this indictment.

5 MS. CHAUDHRY: Your Honor, I prepared a statement that  
6 she will be reading from.

7 THE COURT: Ms. Shah, perfectly permissible for your  
8 lawyer to have worked with you in preparing the statement you  
9 want to make, but what I need to hear from you is that what you  
10 are about to tell me is true.

11 THE DEFENDANT: Yes, your Honor.

12 THE COURT: Why don't you tell me now what you did.  
13 Read slowly. When people are nervous and they read, they tend  
14 to read rather quickly, and I need the reporter to be able to  
15 take it down. I need to be able to process what you're telling  
16 me.

17 THE DEFENDANT: Yes, your Honor.

18 From 2012 to March 2021, in the Southern District of  
19 New York and elsewhere, I agreed with others to commit wire  
20 fraud. I did this by knowingly providing customer names to  
21 people who were marketing business services that had little or  
22 no value. However, I knew the purchasers of these services  
23 were misled about the value and that's why they bought the  
24 services. We used interstate telephones and e-mails to market  
25 and sell these services. Furthermore, while doing this, I knew

1 many of the purchasers of these services were over the age of  
2 55.

3 I knew this was wrong, I know many people were harmed,  
4 and I am so sorry.

5 THE COURT: Were more than 20 people over the age of  
6 55? I don't know what the statutory amount is. I think 20, I  
7 believe. I'm asking the defendant.

8 MS. FLETCHER: Your Honor, I believe the statute  
9 requires more than 10.

10 THE COURT: More than 10.

11 MS. CHAUDHRY: Yes. Your Honor, we had done enough  
12 diligence to be able to say for sure that there were more than  
13 10.

14 THE COURT: But I would like to hear that from the  
15 client.

16 THE DEFENDANT: Yes, your Honor, more than 10.

17 THE COURT: Now, you said something, this is why they  
18 bought whatever it is they bought. What were you referring to?  
19 What was the reason they bought what they were buying?

20 THE DEFENDANT: The misrepresentations of the product  
21 is why they purchased the service.

22 THE COURT: What were the misrepresentations?

23 THE DEFENDANT: Regarding the value of the product or  
24 service.

25 THE COURT: What were the misrepresentations regarding

1 the value of the service?

2 THE DEFENDANT: That it had little or no value.

3 THE COURT: In other words, the representations were  
4 that it had value or it was a misrepresentation because it had  
5 little or no value. Is that what you are telling me?

6 THE DEFENDANT: Yes, that's correct, your Honor.

7 THE COURT: Government, anything else you're seeking  
8 on the allocution?

9 MS. FLETCHER: No, your Honor. Thank you.

10 THE COURT: Ms. Shah, when you did these acts, did you  
11 know that what you were doing was wrong and illegal?

12 THE DEFENDANT: Yes, your Honor.

13 THE COURT: Ms. Fletcher, what evidence does the  
14 government have against this defendant?

15 MS. FLETCHER: Your Honor, were the defendant to  
16 proceed to trial, the government anticipates that the evidence  
17 would show that between approximately 2012 and 2016, the  
18 defendant primarily acted as a lead broker responsible for  
19 selling victim information to other sales floors, that she  
20 shared in the profits that those sales floors earned when they  
21 lied to victims, and that she directed sales floors as to which  
22 so-called fulfillment services they should use, which upsell  
23 floors they should use, and how the sales should be conducted.

24 During this time period, the government would  
25 introduce evidence that the defendant was made aware of several

1 Federal Trade Commission lawsuits brought against sales floors  
2 that the defendant worked for or worked with and that alleged  
3 that these floors were engaged in deceptive practices.

4 The government would further show that between 2017  
5 and 2021, in addition to acting as a lead broker, the defendant  
6 owned and operated a Manhattan-based sales floor calls Mastery  
7 Pro Group.

8 THE COURT: Mastery Pro Group?

9 MS. FLETCHER: Yes, your Honor.

10 In that role, the defendant oversaw the sales floor  
11 herself, handled victim complaints and chargebacks, and  
12 supervised salespeople who directly lied to victims of the  
13 scheme. She was aware the government would show, through  
14 witness testimony, electronic communications, screenshots on  
15 her phone and other evidence, that the salespeople that worked  
16 for her lied to victims about their ability to make money in  
17 their home-based businesses, the value of the products that her  
18 business was selling to those victims, and other  
19 misrepresentations.

20 While the defendant was operating Mastery Pro Group,  
21 the government anticipates the evidence at trial would show  
22 that the defendant became aware that other individuals engaged  
23 in similar conduct, that is, operating biz-op sales floors,  
24 were criminally charged in this district.

25 The evidence, including electronic communications,



1 would show that the defendant communicated with her  
2 coconspirators about the fact of these criminal charges and  
3 that she and her coconspirators took steps to conceal the  
4 operation of Mastery Pro Group and the financial records  
5 associated with it.

6 She did this, and the government would show this  
7 through evidence reflecting that the defendant did not put her  
8 name on bank accounts associated with the business, and instead  
9 the bank accounts were in the names of her coconspirators or  
10 her relatives.

11 The financial records would further show that the  
12 defendant only received payment from Mastery Pro Group in cash,  
13 through the use of a company credit card and through payments  
14 made by the company for a New York City apartment that she  
15 lived in and/or other goods.

16 The evidence would show, and this would come in  
17 through cooperator testimony and electronic communications  
18 taken from electronic devices. The evidence would further show  
19 that the defendant used encrypted applications to communicate  
20 with coconspirators, that she and her coconspirators took steps  
21 to move the operation of certain aspects of the scheme offshore  
22 to Kosovo, and that she and coconspirators incorporated several  
23 businesses in Wyoming to conceal the ownership of those  
24 businesses.

25 Finally, the government expects that the evidence at

trial would show, and this would occur through testimony from a coconspirator and other records, that the defendant directed a coconspirator to lie under oath in a deposition taken by the Federal Trade Commission in an effort to conceal her role in the scheme and that she provided that coconspirator with written talking points that he should follow during his deposition.

As I said, your Honor, this evidence would include financial records, including records showing cash withdrawals from the Mastery Pro Group bank accounts matched to large structured cash deposits in the defendant's bank accounts, her text messages, her e-mails, screenshots of communications on her phones, communications with coconspirators, including about victims. The government anticipates that while there are thousands of victims of the scheme, several of those victims would testify at trial about the lies they were told by Mastery Pro Group salespeople acting at Ms. Shah's direction.

The government would also offer other evidence, including recordings made by coconspirators, about the scheme, lease documents from Mastery Pro Group reflecting the defendant's name, and, finally, tax returns showing that she intentionally underreported her crime proceeds by hundreds of thousands of dollars over several years in an effort to conceal her scheme.

THE COURT: Now, Ms. Fletcher, you used the term

1 biz-ops there, which I take it is the shorthand for business  
2 opportunities. Is that what Mastery Pro Group was foisting on  
3 the public, alleged business opportunities?

4 MS. FLETCHER: Yes, that's right, your Honor. As your  
5 Honor knows from having presided over this case, there are a  
6 series of different business opportunity products that are sold  
7 to customers in this space. The first service is a so-called  
8 coaching service. So the defendant primarily provided leads to  
9 coaching floors who would sell coaching to these victims.

10 After the individuals had been sold coaching, they  
11 would be passed along to a tax floor that would sell them  
12 business entity setup or other sort of -- what are referred to  
13 as tax products.

14 Finally, if the victim had purchased coaching and tax  
15 products, they would be passed along to Mastery Pro Group and  
16 sold a custom-designed website to operate their online business  
17 and so-called marketing products to advertise their business to  
18 the public.

19 THE COURT: I take it the position of the government  
20 is that there was no substance to the coaching tax products or  
21 website?

22 MS. FLETCHER: That's right, your Honor. Were this  
23 case to go to trial, the government anticipates that  
24 individuals who operated coaching floors would say that the  
25 purpose of the coaching sale was to convince the coaching buyer

1 that he or she needed to buy the coaching, the tax-prep  
2 products, and the marketing products that would later be sold  
3 to the customer by sales floors like the defendant's.

4 THE COURT: Thank you.

5 Ms. Shah, how do you now plead to the charge in Count  
6 One in indictment S4 19 CR 833, guilty or not guilty?

7 THE DEFENDANT: Guilty.

8 THE COURT: Are you pleading guilty, Ms. Shah, because  
9 you are guilty?

10 THE DEFENDANT: Yes, your Honor.

11 THE COURT: Are you pleading guilty voluntarily and of  
12 your own free will?

13 THE DEFENDANT: Yes, your Honor.

14 THE COURT: Ms. Chaudhry, do you wish any further  
15 questions on the allocution?

16 MS. CHAUDHRY: No, your Honor.

17 THE COURT: Government, anything further on the  
18 allocution?

19 MS. FLETCHER: No. Thank you, your Honor.

20 THE COURT: I now am going to sign the consent  
21 preliminary order of forfeiture in the sum of \$6,500,000. I  
22 have done that.

23 Ms. Shah, because you acknowledge that you are guilty  
24 as charged, because I find you know your rights and are waiving  
25 them knowingly and voluntarily, because I find your plea is

1 entered knowingly and voluntarily and is supported by an  
2 independent basis in fact containing each of the essential  
3 elements of the offense, I accept your guilty plea and adjudge  
4 you guilty of Count One of the indictment.

5 I'm setting the date for sentencing at October 12.

6 MS. CHAUDHRY: Your Honor, I'm sorry to interrupt you.  
7 We have another trial starting on October 11. If we could  
8 please ask for a date around Thanksgiving.

9 THE COURT: How long is that trial? Who is it before?

10 MS. CHAUDHRY: It's in state court, your Honor. It's  
11 at 111 Centre Street before the Honorable Sabrina Kraus. She  
12 set the date approximately three weeks ago. And I anticipate  
13 it will be approximately a three-week trial.

14 THE COURT: Let's do this. What's the position of the  
15 government?

16 MS. FLETCHER: May I have a moment, your Honor?

17 THE COURT: Yes, of course.

18 MS. FLETCHER: Your Honor, we would request the Court  
19 set a date, if possible, the week before Thanksgiving, which  
20 sounds like it should give defense counsel enough time with her  
21 trial.

22 THE COURT: Ms. Chaudhry.

23 MS. CHAUDHRY: Your Honor, when would you like the  
24 defense sentencing submission?

25 THE COURT: I want them three weeks in advance of the

1 sentencing.

2 MS. CHAUDHRY: Your Honor, given that, if we could  
3 have just after Thanksgiving, in case we have posthearing  
4 briefs in our other trial.

5 THE COURT: Let me do this. I don't know what the  
6 likelihood of the state trial going forward is. Let me set it  
7 for October 12. If, as you come up to it, the trial is  
8 actually going to go forward, then I certainly will give you an  
9 adjournment until Thanksgiving time.

10 Does that make sense, Ms. Chaudhry?

11 MS. CHAUDHRY: Yes, your Honor. I can say with a high  
12 degree of confidence that that case is going forward. We have  
13 been waiting for a trial date for five years.

14 THE COURT: Yes, Ms. Fletcher.

15 MS. FLETCHER: Your Honor, perhaps in light of the  
16 conflict, the sentencing could be moved just one week earlier.  
17 I think that should still give the probation department --

18 THE COURT: One week earlier from October 12, you  
19 mean?

20 MS. FLETCHER: That's right, your Honor.

21 THE COURT: I don't think that takes care of  
22 Ms. Chaudhry's concern. Let's do it at Thanksgiving time.

23 Ms. Blakely. I want three weeks in advance for  
24 defense submission and two weeks in advance for the  
25 government's submission.

1 Monday, the 28th, 2:30 p.m. in this courtroom.  
2 Defense submission, November 7; government's submission,  
3 November 14.

4 I take it there is no application regarding bail?

5 MS. FLETCHER: No application, your Honor.

6 THE COURT: Ms. Chaudhry, you understand that you're  
7 being released on all the conditions of release that you have  
8 been on released up until now. You have to continue to abide  
9 by all of the conditions of release. You understand that,  
10 correct?

11 MS. CHAUDHRY: Your Honor, I believe you misspoke and  
12 you asked if I'm aware. I think you meant Ms. Shah.

13 THE COURT: I did mean Ms. Shah. I'm sorry,  
14 Ms. Chaudhry.

15 Let me restate it then.

16 Ms. Shah, I am directing you to return to this  
17 courtroom on the date I set for sentencing. I've granted the  
18 request of your attorney, in light of a trial that she may have  
19 in state court. You are not going to be remanded in the  
20 interim. It's important that you continue to abide by all of  
21 the conditions that you've been released on up until now. Do  
22 you understand?

23 THE DEFENDANT: Yes, your Honor.

24 THE COURT: Do you also understand that if you don't  
25 come to court on that date, or any adjourned date I set, you

are will suffer an additional penalty for not appearing at that time. Do you understand that?

THE DEFENDANT: Yes, your Honor.

THE COURT: Is there anything else, defense?

MS. CHAUDHRY: Nothing else, your Honor.

THE COURT: Anything else, government?

MS. FLETCHER: No. Thank you, your Honor.

THE COURT: I'll see you then at your sentencing, Ms. Shah.

Thank you, all.

(Adjourned)